

COUNTY OF LOS ANGELES – DEPARTMENT OF MENTAL HEALTH

FACT SHEET

**APPROVAL TO RENEW 26 EXPIRING LEGAL ENTITY AGREEMENTS
FOR MENTAL HEALTH SERVICES
(ALL SUPERVISORIAL DISTRICTS)
(3 VOTES)**

SUBJECT

Request approval to renew 26 expiring Legal Entity Agreements for the provision of mental health services with contract providers whose agreements will expire on June 30, 2011.

REQUEST

Approve and authorize the Director of Mental Health (Director), or his designee, to prepare, sign, and execute Department of Mental Health (DMH) Legal Entity (LE) Agreements with 26 contractors for the provision of mental health services, in the Maximum Contract Amounts (MCAs) of \$141,019,347 annually. The term of the contract will be effective July 1, 2011, through June 30, 2012, with provisions for two one-year renewal periods through Fiscal Year (FY) 2013-14.

Delegate authority to the Director, or his designee, to prepare, sign, and execute future amendments to these LE Agreements, provided that: 1) the County's total payments to a Contractor under each LE Agreement do not exceed a 20 percent increase from the applicable Board-approved annual MCA and the Institutions for Mental Diseases per diem rate increase does not exceed the rates per the State's directive; 2) any such increase is used to provide additional services or to reflect program and/or policy changes; 3) your Board has appropriated sufficient funds for all changes; 4) approval by County Counsel, or designee, is obtained prior to any such amendment; 5) County and Contractor may, by written amendments, reduce programs or services and revise the applicable MCA, provided that any amendments which reduce programs or services will be consistent with the principles agreed to in DMH's stakeholders' process; and 6) the Director notifies your Board and the Chief Executive Officer (CEO) of Agreement changes in writing within 30 days after execution of each amendment.

PURPOSE/JUSTIFICATION

Board approval will allow DMH to enter into new LE Agreements with 26 contract agencies whose current LE Agreements are due to expire on June 30, 2011. Continuation of services with these contractors is necessary to provide uninterrupted mental health services to severely and persistently mentally ill adults, seriously emotionally disturbed (SED) children, adolescents, and their families throughout the County of Los Angeles.

The FY 2011-12 annual MCAs for each LE Agreement total \$141,019,347, and are based on the amounts contained in the FY 2011-12 Recommended Budget funded from the following sources:

1) State Revenues (including Mental Health Services Act)	\$ 68,748,024
2) Federal Revenues	\$ 64,302,527
3) Intrafund Transfers	\$ 3,985,400
4) NCC/Sales Tax Realignment	\$ 3,983,396
Total	<u>\$141,019,347</u>

BACKGROUND

These LE Agreements with mental health services contractors provide for a broad range of mental health services to severely and persistently mentally ill adults, SED children, adolescents, and their families, pursuant to the California Welfare and Institutions Code (WIC), Division 5, Part 2, Chapter 1, Section 5602. These mental health services include, but are not limited to, diagnosis, evaluation, treatment, day care, respite care, living arrangements, community skill training, referrals, consultation, and community services.

The revised Agreement format includes a revised Financial Exhibit.

CONTRACTING PROCESS

All of the 26 LE Contractors have existing agreements with DMH that will expire on June 30, 2011, and are being renewed because of the continuing need for their services. As mandated by your Board, the performance of all contractors is evaluated by DMH on an annual basis to ensure the contractors' compliance with all contract terms and performance standards.

DMH Contact:

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APPROVED BY:

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